HOUSING MARKET INFORMATION

RENTAL MARKET REPORT
Sherbrooke CMA

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: 2017

The overall vacancy rate*...

DECREASED to

5.3%

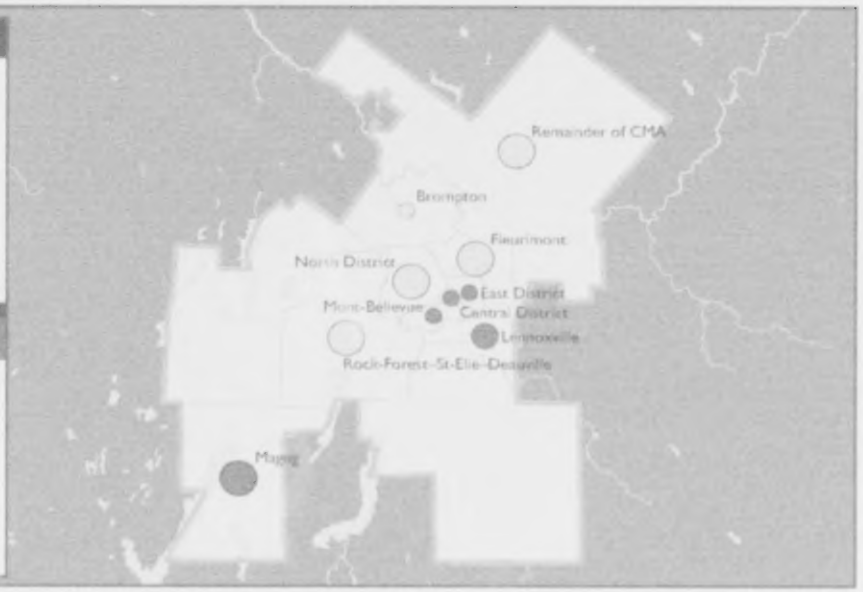
- Below CMA
- Similar to CMA
- Above CMA

The average rent is*...

$618

UP by 1.0%

- Below CMA
- Similar to CMA
- Above CMA



PRIMARY RENTAL MARKET *(by bedroom type)*

Bachelor	One bedroom	Two bedroom	Three or more bedrooms
8.2% Vacancy Rate	5.5% Vacancy Rate	5.0% Vacancy Rate	4.6% Vacancy Rate
$428 Avg. Rent	$508 Avg. Rent	$631 Avg. Rent	$774 Avg. Rent

"In 2017, the vacancy rate in the Sherbrooke area fell to 5.3%. The change in the average rent was 1%."

Mbea Bell
Market Analyst

*CMHC collects data on the primary and secondary rental market annually in the fall. These data refer to the primary rental market, which only includes rental units in privately initiated apartment structures containing at least three rental units. The secondary rental market covers rental dwellings that were not originally purpose built for the rental market, including rental condominiums. The primary vacancy rate and rent level is based on all surveyed structures, while the rent increase is based only on structures common to the survey sample in both the current and previous year.

Canada

CMHC SCHL

Highlights:

- After increasing for a number of years, the vacancy rate in the Sherbrooke census metropolitan area (CMA) fell, going from 6.4% in 2016 to 5.3% in 2017.
- The tightening of the rental market was felt most acutely in the northern district, as well as in the Brompton, Magog and Fleurimont sectors.
- The average rent for two-bedroom apartments reached $631.
- The estimated change[1] in the average rent for two-bedroom apartments from October 2016 to October 2017 was 1.9%.

Tighter rental market conditions in the Sherbrooke CMA

According to the results of the Rental Market Survey (RMS) conducted by Canada Mortgage and Housing Corporation in October 2017, the vacancy rate for rental apartments in the Sherbrooke CMA decreased in 2017 (see figure 1). The rate went from 6.4% in October 2016 to 5.3% in October 2017. This represents the first time the rental market has tightened in the past ten years.

Increase in demand coupled with stable supply

An increase in demand, coupled with supply that remained stable, resulted in a tighter rental market in the Sherbrooke area. First, rental demand rose since we conducted our last survey. This rise is in large part due to a surge in migration: after three years on the decline, net migration to the area jumped in 2016, going from 1,003 in 2015 to 1,687 in 2016; a 68% increase. Both international and intraprovincial migration contributed to this increase. It should be recalled that newcomers to an area tend to look to the rental market for housing in the first few years after their arrival. Additionally, the slowdown in employment[2] and the aging of the population are two other factors that contributed, albeit to a lesser extent, to the increase in rental demand. Indeed, slower employment growth restricts movement to homeownership and, as they age, certain homeowners decide to sell their homes and return to the rental market.

Supply, for its part, remained relatively stable compared to the last RMS. This stability can be explained by the relatively high vacancy rates recorded over the last few years, which have dampened real estate developers' zeal.

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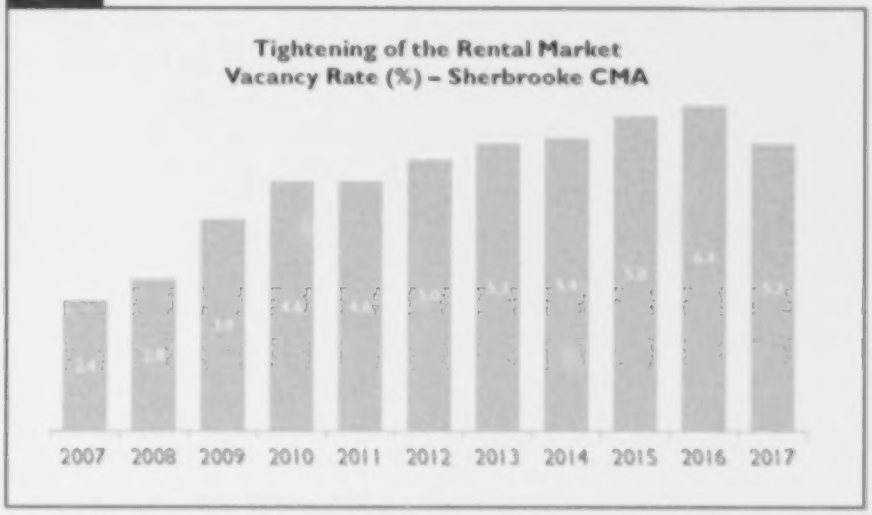
Considerable tightening of rental market conditions in certain sectors

The tightening rental market conditions applied fairly generally across the Sherbrooke CMA. However, the decrease in the vacancy rate was more pronounced in certain sectors: in Brompton, the vacancy rate dropped this year, falling from 6.2% in 2016 to 1.6% in 2017. This sector posted the lowest rent ($576) for two-bedroom apartments, and

Figure 1



Source: CMHC

[1] It should be noted that CMHC uses a measure that estimates the change in rents charged in existing structures. This measure therefore excludes the impact of new structures and conversions added to the universe between surveys. The estimated percentage change in the average rent is a measure of the market movement and is based on those structures that were common to the survey sample for both years.

[2] Employment growth has slowed in Sherbrooke for the last three years; from 4.7% in 2014, it has decreased progressively, reaching 0.6% in 2017.

that likely attracted new immigrants to the area. The vacancy rate decreases in the northern district and in Magog (decreases of 2.2 and 1.3 percentage points, respectively) were largely caused by a decrease in rental supply.[3] Finally, in Fleurimont, the vacancy rate also decreased, going from 5% in 2016 to 2.9% in 2017.

Vacancy rate decreases in newer buildings

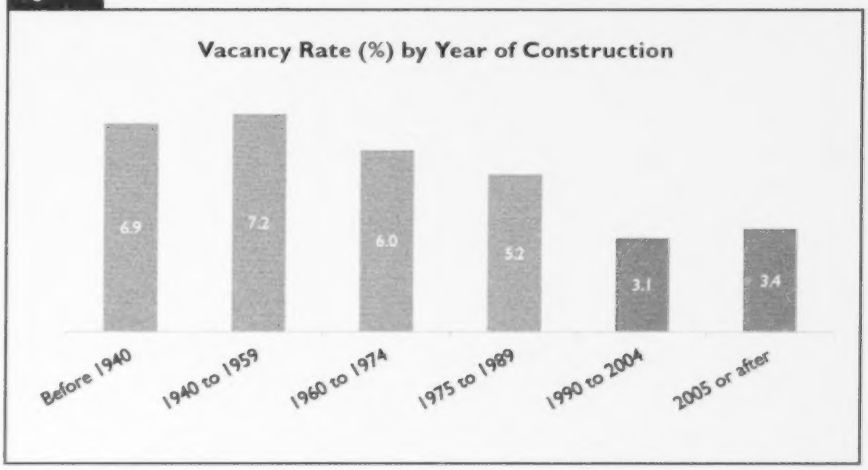
For newer apartments (those built since 2005), the vacancy rate went from 4.9% in 2016 to 3.4% in 2017. In general, relatively newer buildings (those built since 1990) recorded vacancy rates that were well below the average for the CMA (see figure 2). This could be explained by renters' preference for newer rental buildings, a preference noted in most of Quebec's urban centres.

Slight rent increases

Average rents continued to follow an upward trend in the Sherbrooke CMA. Indeed, the estimated change in the average rent for two-bedroom apartments in 2017 was 1.9% (compared to 2.1% in 2016). The tightening of the rental market in certain sectors[4] allowed for greater rent increases. This was particularly the case in the northern district, in Magog and in Brompton.

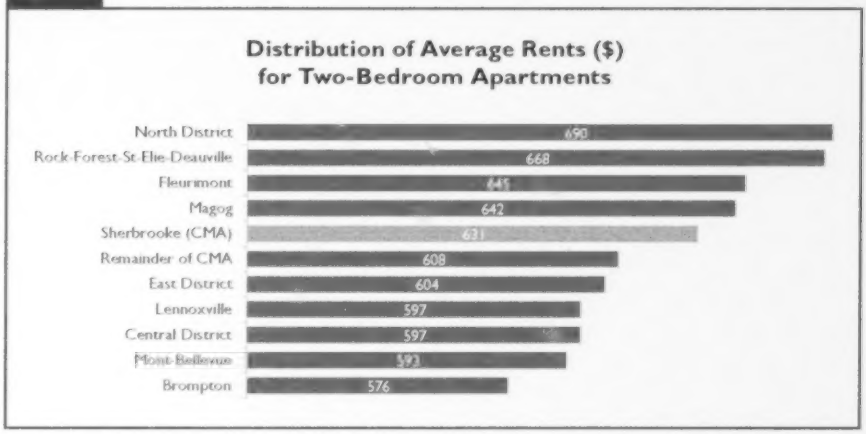
The average rent for two-bedroom apartments reached $631. The rent distribution in the CMA was fairly uneven (see figure 3). The highest rents were recorded in the northern district ($690), in Rock-Forest–St-Élie–Deauville ($668) and in Fleurimont ($645). A large proportion of the more recently built units[5] that command higher rents are located in these sectors.

Figure 2



Source: CMHC

Figure 3



Source: CMHC

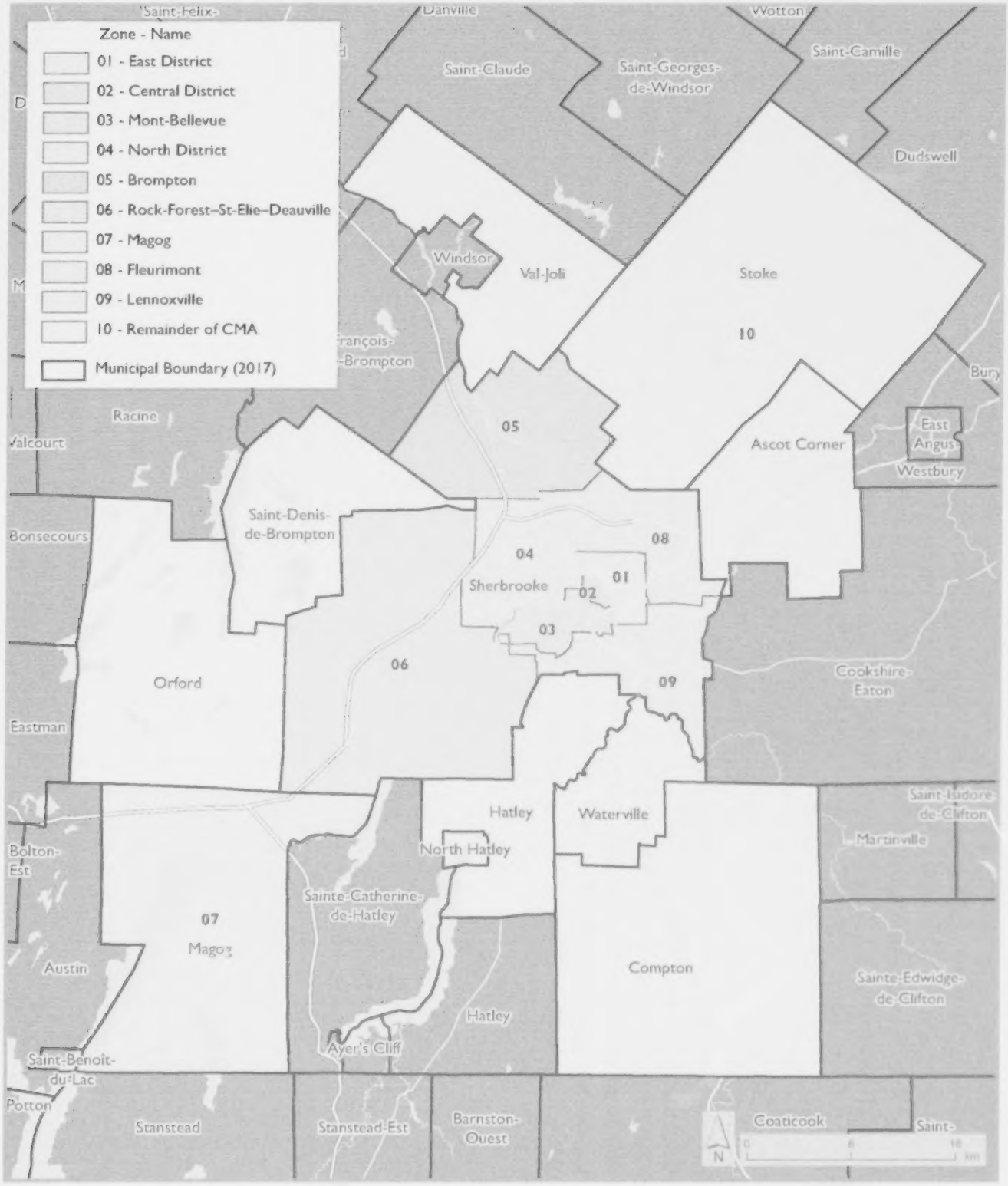
Higher tenant turnover rate

The tenant turnover rate (which is equal to the number of rental units that changed tenants relative to the total number of rental units, in a given area, over the last 12 months) in the Sherbrooke area went from 21.7% in 2016 to 25.7% in 2017. This increase can be explained by both the surge in net migration to the area, and by vacancy rates, which remained relatively high. Such a state of affairs can encourage renters to move into units that better suit their preferences. On the geographic front, it was in downtown Sherbrooke that turnover rates were highest: 33.6% in Mont-Bellevue and 31.9% in the central district.

[3] In the northern district, the number of units included in the rental universe went from 7,222 in 2016 to 7,038 in 2017, a 2.5% decrease. In Magog, it decreased from 2,356 in 2016 to 2,300 in 2017.

[4] See the section on the sectors that have experienced significant market tightening.

[5] Units built after 1990.


Zone - Name
01 - East District
02 - Central District
03 - Mont-Bellevue
04 - North District
05 - Brompton
06 - Rock-Forest–St-Elie–Deauville
07 - Magog
08 - Fleurimont
09 - Lennoxville
10 - Remainder of CMA
Municipal Boundary (2017)
Saint-Felix-
Danville
Wotton
Saint-Claude
Saint-Georges-de-Windsor
Saint-Camille
Dudswell
Windsor
Val-Joli
Stoke
10
Bury
Racine
Valcourt
05
Ascot Corner
East Angus
Westbury
Saint-Denis-de-Brompton
Bonsecours
04
08
01
Sherbrooke
02
03
06
Orford
09
Cookshire-Eaton
Eastman
Hatley
Waterville
Saint-Isidore-de-Clifton
Martinville
Bolton-Est
North Hatley
Sainte-Catherine-de-Hatley
07
Magog
Austin
Compton
Sainte-Edwidge-de-Clifton
Hatley
Ayer's Cliff
Saint-Benoit-du-Lac
Potton
Stanstead
Stanstead-Est
Barnston-Ouest
Coaticook
Saint-
N
0
6
10
km

RMS ZONE DESCRIPTIONS - SHERBROOKE CMA	
Zone 1	**East District** - North: City Limits; South: City Limits; East: City Limits; West: St-François River.
Zone 2	**Central District** - North: St-François River; South: Galt West and Wellington; East: St-François River; West: Belvedère and Queen North.
Zone 3	**Mont-Bellevue** - North: Magog River and Galt West; South: City Limits; East: Wellington South; West: Magog River.
Zone 4	**North District** - North: City Limits; South: Magog River; East: St-François River and Queen North.
Zones 1-4	**Sherbrooke City (before the merger)**
Zone 5	**Brompton**
Zone 6	**Rock-Forest-St-Elie-Deauville**
Zone 7	**Magog**
Zone 8	**Fleurimont**
Zone 9	**Lennoxville**
Zone 10	**Reminder of CMA**
Zones 1-10	**Sherbrooke CMA**

RENTAL MARKET REPORT TABLES

Available in ALL Rental Market Reports

Private Apartment Data:

1.1.1 Vacancy Rates (%) by Zone and Bedroom Type
1.1.2 Average Rents ($) by Zone and Bedroom Type
1.1.3 Number of Units in the Universe by Zone and Bedroom Type
1.1.4 Availability Rates (%) by Zone and Bedroom Type (Not available for Québec centres)
1.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type
1.1.6 Turnover Rates (%) by Zone and Bedroom Type
1.2.1 Vacancy Rates (%) by Year of Construction and Bedroom Type
1.2.2 Average Rents ($) by Year of Construction and Bedroom Type
1.2.3 Turnover Rates (%) by Year of Construction and Bedroom Type
1.3.1 Vacancy Rates (%) by Structure Size and Bedroom Type
1.3.2 Average Rents ($) by Structure Size and Bedroom Type
1.3.3 Vacancy Rates (%) by Structure Size and Zone
1.3.4 Turnover Rates (%) by Structure Size and Bedroom Type
1.4 Vacancy Rates (%) by Rent Range and Bedroom Type

Available in SELECTED Rental Market Reports

Private Row (Townhouse) Data:

2.1.1 Vacancy Rates (%) by Zone and Bedroom Type
2.1.2 Average Rents ($) by Zone and Bedroom Type
2.1.3 Number of Units in the Universe by Zone and Bedroom Type
2.1.4 Availability Rates (%) by Zone and Bedroom Type (Not available for Québec centres)
2.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type
2.1.6 Turnover Rates (%) by Zone and Bedroom Type

Private Apartment and Row (Townhouse) Data:

3.1.1 Vacancy Rates (%) by Zone and Bedroom Type
3.1.2 Average Rents ($) by Zone and Bedroom Type
3.1.3 Number of Units in the Universe by Zone and Bedroom Type
3.1.4 Availability Rates (%) by Zone and Bedroom Type (Not available for Québec centres)
3.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type
3.1.6 Turnover Rates (%) by Zone and Bedroom Type

Available in the Halifax, Quebec, Montreal, Gatineau, Ottawa, Toronto, Hamilton, Kitchener-Cambridge-Waterloo, London, Winnipeg, Regina, Saskatoon, Edmonton, Calgary, Kelowna, Vancouver and Victoria Reports

Rental Condominium Apartment Data

4.1.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%)
4.1.2 Rental Condominium Apartments and Private Apartments in the RMS - Average Rents ($) by Bedroom Type
4.1.3 Rental Condominium Apartments - Average Rents ($) by Bedroom Type
4.2.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%) by Building Size
4.3.1 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate
4.3.2 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate by Project Size

1.1.1 Private Apartment Vacancy Rates (%) by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Zone 1 - East District	**	**	8.6	6.4	6.1	6.2	**	3.2	7.4	5.9
Zone 2 - Central District	**	9.0	4.7	7.9	**	**	**	**	5.9	7.8
Zone 3 - Mont-Bellevue	3.7	8.9	4.8	4.4	6.7	5.3	**	**	6.1	5.6
Zone 4 - North District	4.3	6.5	5.8	3.7	7.2	4.4	**	4.7	6.7	4.5
Sherbrooke City (before the merger)	7.4	8.3	6.3	5.5	6.7	5.4	6.8	4.8	6.7	5.6
Zone 5 - Brompton	**	10.0	**	0.0	**	0.6	**	**	6.2	1.6
Zone 6 - Rock-Forest-St-Elie-Deauville	**	**	**	2.7	4.1	2.8	2.0	2.7	3.2	2.7
Zone 7 - Magog	**	7.6	**	12.2	5.8	5.1	3.7	2.6	7.2	5.9
Zone 8 - Fleurimont	**	1.6	**	4.2	3.0	2.6	**	3.1	5.0	2.9
Zone 9 - Lennoxville	**	**	5.2	4.0	7.4	6.4	8.5	9.0	6.9	6.3
Zone 10 - Remainder of CMA	-	-	**	**	**	**	**	0.0	**	3.0
Sherbrooke CMA	**7.9**	**8.2**	**6.4**	**5.5**	**6.3**	**5.0**	**6.3**	**4.6**	**6.4**	**5.3**

1.1.2 Private Apartment Average Rents ($) by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Zone 1 - East District	386	400	476	496	613	604	718	710	578	577
Zone 2 - Central District	399	410	468	487	552	597	720	696	524	527
Zone 3 - Mont-Bellevue	426	430	478	478	570	593	740	736	562	568
Zone 4 - North District	450	470	575	586	671	690	806	825	676	696
Sherbrooke City (before the merger)	418	427	497	507	617	630	760	764	599	606
Zone 5 - Brompton	**	395	437	438	557	576	664	667	564	572
Zone 6 - Rock-Forest-St-Elie-Deauville	**	**	499	523	664	668	775	780	675	686
Zone 7 - Magog	**	402	575	536	661	642	706	722	650	627
Zone 8 - Fleurimont	563	528	522	534	633	645	775	782	661	670
Zone 9 - Lennoxville	423	435	500	500	591	597	837	873	601	617
Zone 10 - Remainder of CMA	-	-	**	454	557	608	686	725	602	635
Sherbrooke CMA	**436**	**428**	**502**	**508**	**622**	**631**	**764**	**774**	**612**	**618**

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.1.3 Number of Private Apartment Units in the Universe by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Zone 1 - East District	411	428	1,869	1,957	3,919	3,950	953	966	7,152	7,301
Zone 2 - Central District	391	396	883	905	735	733	324	317	2,333	2,351
Zone 3 - Mont-Bellevue	779	773	1,553	1,611	3,325	3,392	1,094	1,088	6,751	6,864
Zone 4 - North District	402	399	1,230	1,240	4,092	3,852	1,498	1,547	7,222	7,038
Sherbrooke City (before the merger)	**1,983**	**1,996**	**5,535**	**5,713**	**12,071**	**11,927**	**3,869**	**3,918**	**23,458**	**23,554**
Zone 5 - Brompton	10	10	47	51	188	191	95	98	340	350
Zone 6 - Rock-Forest-St-Elie-Deauville	11	8	300	309	1,542	1,570	677	694	2,530	2,581
Zone 7 - Magog	149	122	440	411	1,291	1,293	476	474	2,356	2,300
Zone 8 - Fleurimont	69	69	273	281	1,145	1,131	671	679	2,158	2,160
Zone 9 - Lennoxville	89	88	1,011	1,004	1,935	1,932	628	658	3,663	3,682
Zone 10 - Remainder of CMA	0	0	16	16	89	95	41	45	146	156
Sherbrooke CMA	**2,311**	**2,293**	**7,622**	**7,785**	**18,261**	**18,139**	**6,457**	**6,566**	**34,651**	**34,783**

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent [1] by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17
Zone 1 - East District	**	++	**	1.4	++	++	++	++	**	++
Zone 2 - Central District	++	++	++	**	2.0	++	**	++	++	++
Zone 3 - Mont-Bellevue	2.4	++	1.8	-2.7	**	++	++	++	2.1	++
Zone 4 - North District	3.1	**	2.3	1.3	1.3	2.3	2.5	++	1.7	1.9
Sherbrooke City (before the merger)	2.3	++	2.1	++	2.1	1.1	**	0.9	2.3	0.8
Zone 5 - Brompton	**	**	1.9	++	++	2.6	**	**	1.4	1.6
Zone 6 - Rock-Forest-St-Elie-Deauville	**	**	**	**	1.5	**	1.5	++	1.8	**
Zone 7 - Magog	4.0	6.5	3.1	++	++	3.4	++	++	++	1.9
Zone 8 - Fleurimont	**	**	++	**	0.8	1.9	0.6	1.2	++	1.6
Zone 9 - Lennoxville	++	++	++	0.7	1.9	++	2.7	-0.8	1.5	++
Zone 10 - Remainder of CMA	-	-	**	**	2.3	-2.2	**	**	0.9	1.1
Sherbrooke CMA	**2.0**	**0.9**	**1.8**	**0.8**	**2.1**	**1.9**	**3.2**	**0.6**	**2.1**	**1.0**

[1]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

1.1.6 Private Apartment Turnover Rates (%) by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Zone 1 - East District	**	**	**	**	23.0	26.2	**	**	23.8	27.4
Zone 2 - Central District	**	28.8	**	**	**	**	**	**	24.4	31.9
Zone 3 - Mont-Bellevue	**	**	**	**	18.5	32.4	**	**	21.1	33.6
Zone 4 - North District	**	21.5	18.9	21.1	18.8	17.8	24.8	**	20.5	19.0
Sherbrooke City (before the merger)	**	32.7	21.6	28.8	20.7	25.8	24.1	25.6	22.1	27.1
Zone 5 - Brompton	**	54.6	**	10.8	**	26.2	**	**	**	23.2
Zone 6 - Rock-Forest-St-Elie-Deauville	**	**	**	**	21.4	19.9	**	23.5	24.5	21.2
Zone 7 - Magog	**	**	14.1	22.9	15.2	17.8	13.9	17.0	14.8	18.9
Zone 8 - Fleurimont	**	**	**	**	**	19.0	**	**	19.4	20.0
Zone 9 - Lennoxville	**	**	**	26.4	22.7	28.7	**	28.0	23.3	27.8
Zone 10 - Remainder of CMA	-	-	**	19.2	**	**	**	**	**	**
Sherbrooke CMA	**24.6**	**31.8**	**21.3**	**27.5**	**20.6**	**24.6**	**24.2**	**24.5**	**21.7**	**25.7**

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.2.1 Private Apartment Vacancy Rates (%) by Year of Construction and Bedroom Type Sherbrooke CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Sherbrooke CMA										
Pre 1940	**	**	**	**	**	**	**	5.3	8.4	6.9
1940 - 1959	**	**	**	**	**	**	**	**	7.9	7.2
1960 - 1974	7.2	8.4	6.6	7.6	5.1	5.1	**	4.6	6.0	6.0
1975 - 1989	**	5.5	4.9	3.2	7.3	5.7	7.8	6.2	6.8	5.2
1990 - 2004	**	5.0	4.6	1.5	4.1	2.6	5.6	4.6	4.5	3.1
2005+	**	**	**	7.0	5.1	3.1	2.3	2.3	4.9	3.4
Total	7.9	8.2	6.4	5.5	6.3	5.0	6.3	4.6	6.4	5.3

1.2.2 Private Apartment Average Rents ($) by Year of Construction and Bedroom Type Sherbrooke CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Sherbrooke CMA										
Pre 1940	387	407	449	473	546	550	708	710	545	541
1940 - 1959	399	399	445	452	547	547	713	698	530	529
1960 - 1974	408	420	485	491	578	589	700	689	555	564
1975 - 1989	444	453	504	505	599	603	715	710	587	590
1990 - 2004	482	445	556	544	688	672	802	796	707	686
2005+	797	485	717	707	826	862	909	966	837	869
Total	436	428	502	508	622	631	764	774	612	618

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.2.3 Private Apartment Turnover Rates (%) by Year of Construction and Bedroom Type Sherbrooke CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Sherbrooke CMA										
Pre 1940	**	**	**	**	28.7	29.2	**	**	27.1	**
1940 - 1959	**	**	**	**	**	**	**	**	25.0	**
1960 - 1974	**	28.0	23.4	29.5	22.0	28.2	**	**	22.7	28.2
1975 - 1989	26.7	**	19.1	23.5	15.9	21.8	22.5	20.9	18.1	22.6
1990 - 2004	**	**	**	**	19.7	21.6	**	**	20.9	22.8
2005+	**	**	**	**	24.8	22.6	26.4	24.7	22.1	22.8
Total	24.6	31.8	21.3	27.5	20.6	24.6	24.2	24.5	21.7	25.7

1.3.1 Private Apartment Vacancy Rates (%) by Structure Size and Bedroom Type Sherbrooke CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Sherbrooke CMA										
3 to 5 Units	**	**	**	**	4.3	3.9	5.3	2.3	5.0	4.2
6 to 19 Units	**	8.6	6.4	4.7	5.7	4.6	6.3	5.5	6.3	5.0
20 to 49 Units	4.1	6.6	5.6	5.4	8.8	6.1	10.2	10.1	7.5	6.3
50 to 99 Units	13.3	4.2	10.7	7.7	8.0	8.0	4.5	5.0	9.4	7.0
100+ Units	1.4	0.7	5.5	5.5	**	**	**	**	5.2	5.4
Total	7.9	8.2	6.4	5.5	6.3	5.0	6.3	4.6	6.4	5.3

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.3.2 Private Apartment Average Rents ($) by Structure Size and Bedroom Type Sherbrooke CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Sherbrooke CMA										
3 to 5 Units	375	391	445	450	613	603	774	760	637	625
6 to 19 Units	398	411	487	500	608	625	761	804	599	619
20 to 49 Units	433	436	509	507	626	623	716	719	583	583
50 to 99 Units	510	435	679	659	702	789	778	838	661	690
100+ Units	496	514	761	758	**	**	**	**	779	785
Total	436	428	502	508	622	631	764	774	612	618

1.3.3 Private Apartment Vacancy Rates (%) by Structure Size and Zone Sherbrooke CMA

Zone	3-5		6-19		20-49		50-99		100+	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Zone 1 - East District	**	**	6.3	3.7	7.4	7.2	12.2	9.4	-	-
Zone 2 - Central District	**	**	8.3	8.2	1.5	4.6	**	**	-	-
Zone 3 - Mont-Bellevue	**	**	7.0	6.9	5.2	4.2	3.0	1.2	**	**
Zone 4 - North District	**	**	**	4.0	10.8	7.6	5.9	4.6	**	**
Sherbrooke City (before the merger)	5.7	5.3	6.8	5.3	7.5	6.3	6.9	5.6	5.2	5.4
Zone 5 - Brompton	**	0.0	4.5	3.4	**	**	-	-	-	-
Zone 6 - Rock-Forest-St-Elie-Deauville	**	**	4.6	**	4.4	7.3	-	-	-	-
Zone 7 - Magog	3.7	3.4	6.1	5.7	**	5.6	**	**	-	-
Zone 8 - Fleurimont	4.8	**	4.0	**	6.6	3.9	-	-	-	-
Zone 9 - Lennoxville	4.7	3.1	5.8	6.0	8.5	7.2	**	**	-	-
Zone 10 - Remainder of CMA	**	**	**	0.0	**	**	-	-	-	-
Sherbrooke CMA	**5.0**	**4.2**	**6.3**	**5.0**	**7.5**	**6.3**	**9.4**	**7.0**	**5.2**	**5.4**

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.3.4 Private Apartment Turnover Rates (%) by Structure Size and Bedroom Type Sherbrooke CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Sherbrooke CMA										
3 to 5 Units	**	**	**	**	23.7	27.0	27.3	25.1	25.4	27.9
6 to 19 Units	**	**	24.1	26.2	23.3	25.5	23.3	25.7	23.6	26.2
20 to 49 Units	**	29.2	15.5	24.9	14.6	23.1	**	22.3	16.2	24.0
50 to 99 Units	**	20.2	**	25.8	9.0	14.7	**	13.8	**	18.7
100+ Units	41.7	52.4	21.2	28.8	**	**	**	**	27.1	27.6
Total	24.6	31.8	21.3	27.5	20.6	24.6	24.2	24.5	21.7	25.7

1.4 Private Apartment Vacancy Rates (%)[1] by Rent Range and Bedroom Type Sherbrooke CMA

Rent Range	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Sherbrooke CMA										
LT $400	**	9.3	**	**	**	**	**	**	**	**
$400 - $499	4.9	7.6	6.4	5.7	**	**	**	**	6.3	6.8
$500 - $599	4.7	2.5	5.3	3.7	7.1	6.4	4.3	4.5	6.6	5.4
$600 - $699	**	**	4.2	3.1	5.6	4.4	9.0	6.8	6.3	4.7
$700 - $799	**	**	**	2.0	5.3	3.6	4.4	3.6	4.9	3.5
$800+	**	**	**	23.6	8.0	3.0	**	3.9	8.1	4.4
Total	7.9	8.2	6.4	5.5	6.3	5.0	6.3	4.6	6.4	5.3

[1] Vacancy rate by rent range when rents are known. For the Total, vacancy rates include all structures.

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent levels, availability (outside Quebec), turnover and vacancy unit data for all sampled structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of October, and the results reflect market conditions at that time.

CMHC is constantly reviewing the Universe of rental structures in the rental market Universe to ensure that it is as complete as possible. Every year, any newly completed rental structures with at least 3 rental units are added to the Universe. In addition to this, CMHC undertakes comprehensive reviews by comparing the Universe listing to other sources of data to ensure that the list of structures is as complete as possible.

CMHC's Rental Market Survey provides a snapshot of vacancy, availability (outside Quebec), and turnover rates and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of percent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports. The rent levels in new and existing structures are also published. While the percent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

METHODOLOGY FOR CONDOMINIUM APARTMENT SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the Condominium Apartment Survey (CAS) in late summer and early fall to estimate the relative strengths in the condo apartment rental market The CAS collects the number of units being rented out and the vacancy and rent levels of these units in the following CMAs: Calgary, Edmonton, Gatineau, Halifax, Hamilton, Kelowna, Kitchener, London, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, Victoria and Winnipeg. The CAS is conducted by telephone interviews and information is obtained from the property management company, condominium (strata) board, or building superintendent. If necessary, this data can be supplemented by site visits if no telephone contact is made.

CMHC publishes the number of units rented, vacancy rates and average rents from the Condominium Apartment Survey. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability.

RENTAL MARKET SURVEY (RMS) AND CONDOMINIUM APARTMENT SURVEY (CAS) DATA RELIABILITY

CMHC does not publish an estimate (e.g. Vacancy Rates and Average Rents) if the reliability of the estimate is too low or the confidentiality rules are violated. The ability to publish an estimate is generally determined by its statistical reliability, which is measured using the coefficient of variation (CV). CV of an estimate is defined as the ratio of the standard deviation to the estimate and CV is generally expressed a percentage. For example, let the average rent for one bedroom apartments in a given CMA be $\bar{x}$ and its standard deviation be $\sigma_{\bar{x}}$. Then the Coefficient of Variation is given by $CV = \frac{\sigma_{\bar{x}}}{\bar{x}}$.

Reliability Codes for Proportions

CMHC uses CV, sampling fraction and universe size to determine the ability to publish proportions such as vacancy rates, availability rates and turnover rates. The following letter codes are used to indicate the level of reliability of proportions:

a — Excellent
b — Very good
c — Good
d — Fair (Use with Caution)
** — Poor — Suppressed
++ – Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
-- – No units exist in the universe for this category
n/a – Not applicable

The following two tables indicate the level of reliability of proportions:

If the proportion is Zero (0) and sampling fraction is less than 100% then the following levels are assigned:

Sampling Fraction (%) range

Structures in Universe	(0,20]*	(20,40]	(40,60]	(60,80]	(80,100)
3 – 10	Poor	Poor	Poor	Poor	Poor
11 – 20	Poor	Fair	Fair	Fair	Good
21 – 40	Poor	Fair	Fair	Good	Very Good
41 – 80	Poor	Fair	Good	Good	Very Good
81+	Poor	Good	Good	Very Good	Very Good

*(0, 20] means sampling fraction is greater than 0% but less than or equal to 20%; others are similar.

Otherwise, the following table is used to determine the reliability level of proportions:

Coefficient of Variation (CV) %

Vacancy Rate	0	(0,5]	(5,10]	(10,16.5]	(16.5,33.3]	(33.3,50]	50+
(0,0.75]	Excellent	Excellent	Excellent	Excellent	Excellent	V. Good	V. Good
(0.75,1.5]	Excellent	Excellent	Excellent	Excellent	Excellent	Fair	Poor
(1.5,3]	Excellent	Excellent	Excellent	V. Good	Good	Poor	Poor
(3,6]	Excellent	Excellent	V. Good	Good	Fair	Poor	Poor
(6,10]	Excellent	Excellent	V. Good	Good	Poor	Poor	Poor
(10,15]	Excellent	Excellent	Good	Fair	Poor	Poor	Poor
(15,30]	Excellent	Excellent	Fair	Poor	Poor	Poor	Poor
(30,100]	Excellent	Excellent	Poor	Poor	Poor	Poor	Poor

Reliability Codes for Averages and Totals

CMHC uses the CV to determine the reliability level of the estimates of average rents and a CV cut-off of 10% for publication of totals and averages. It is felt that this level of reliability best balances the need for high quality data and not publishing unreliable data. CMHC assigns a level of reliability as follows (CV's are given in percentages):

a — If the CV is greater than 0 and less than or equal to 2.5 then the level of reliability is **Excellent**.
b — If the CV is greater than 2.5 and less than or equal to 5 then the level of reliability is **Very Good**.
c — If the CV is greater than 5 and less than or equal to 7.5 then the level of reliability is **Good**.
d — If the CV is greater than 7.5 and less than or equal to 10 then the level of reliability is **Fair**.
** — If the CV is greater than 10 then the level of reliability is **Poor**. (Do Not Publish)

Arrows indicate Statistically Significant Changes

Use caution when comparing statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. When applicable, tables in this report include indicators to help interpret changes:

↑ indicates the year-over-year change is a statistically significant increase.
↓ indicates the year-over-year change is a statistically significant decrease.
– indicates that the effective sample does not allow one to interpret any year-over-year change as being statistically significant.

Δ indicates that the change is statistically significant

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Turnover: A unit is counted as being turned over if it was occupied by a new tenant moved in during the past 12 months. A unit can be counted as being turned over more than once in a 12 month period.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 50,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

October 2016 data is based on Statistics Canada's 2011 Census area definitions. October 2017 data is based on Statistics Canada's 2016 Census area definitions.

Acknowledgement

The Rental Market Survey and the Condominium Apartment Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution CMHC is able to provide information that benefits the entire housing industry.

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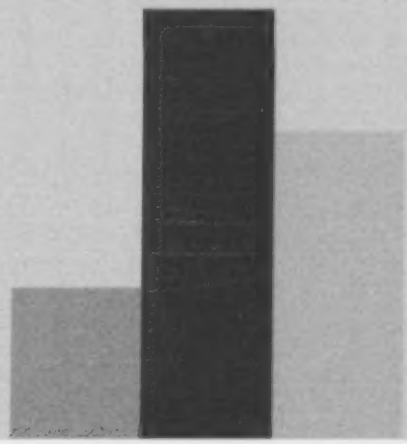

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